Survey conducted by CAMM and Automate Canada with a total of 48 responses for the Week Ten survey (658 responses in total to date).

Location and primary business activity of our respondents to date

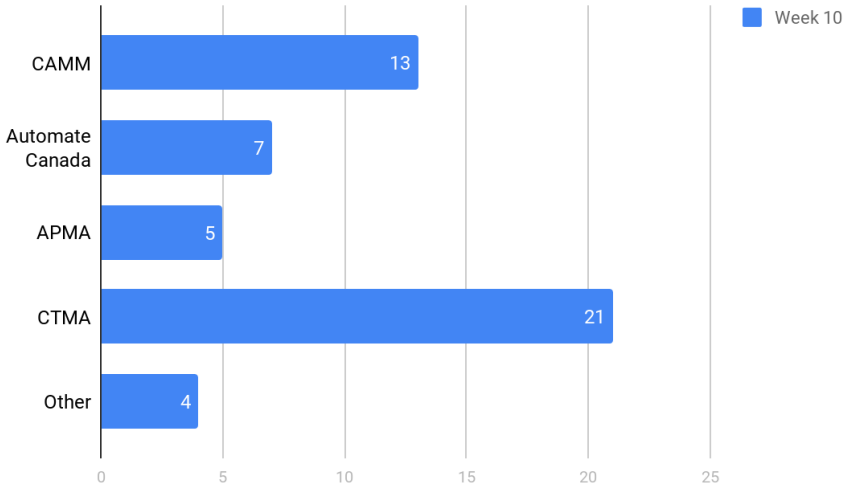
60% Mold Tool or Die

13% Custom Automation

10% Software Services

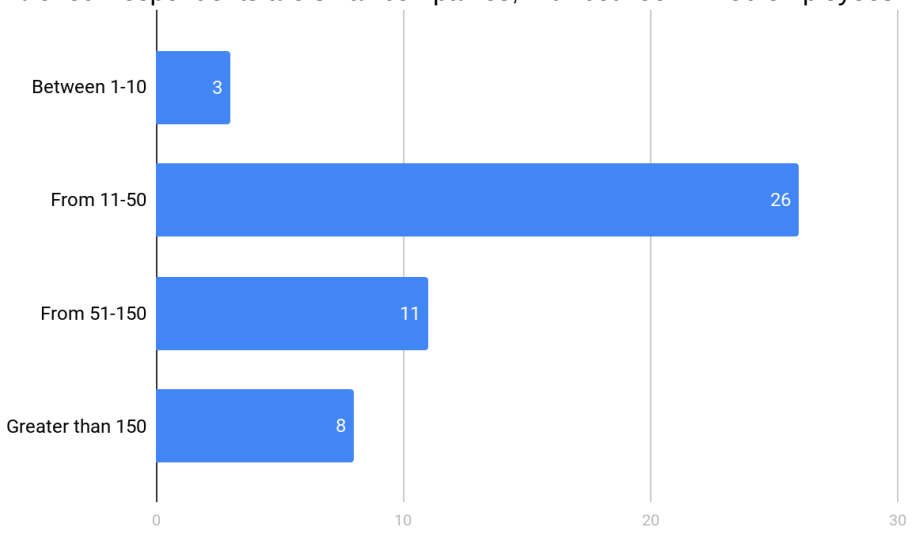
17% Other

Are you a member of the following Canadian associations:



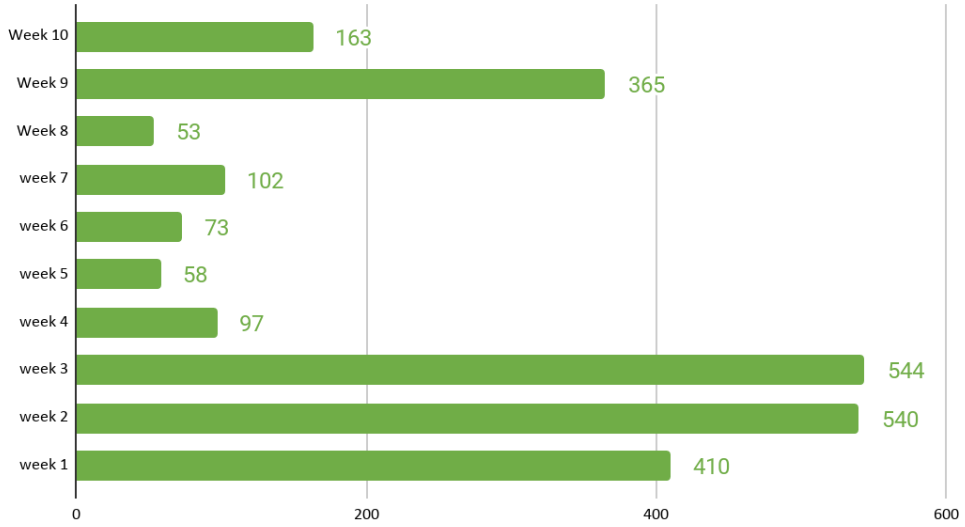
Company Size (# of employees on 01/31/2020)

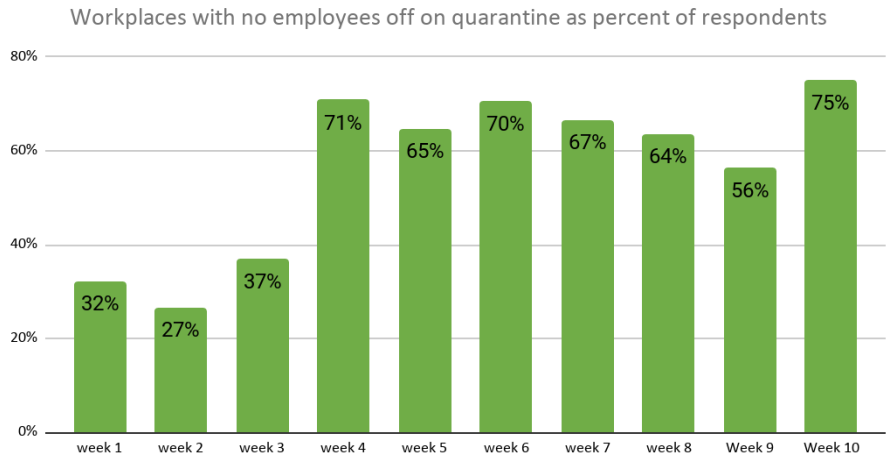
44% of our respondents are small companies, with between 1 - 50 employees.



Direct impact reported on the workforce:

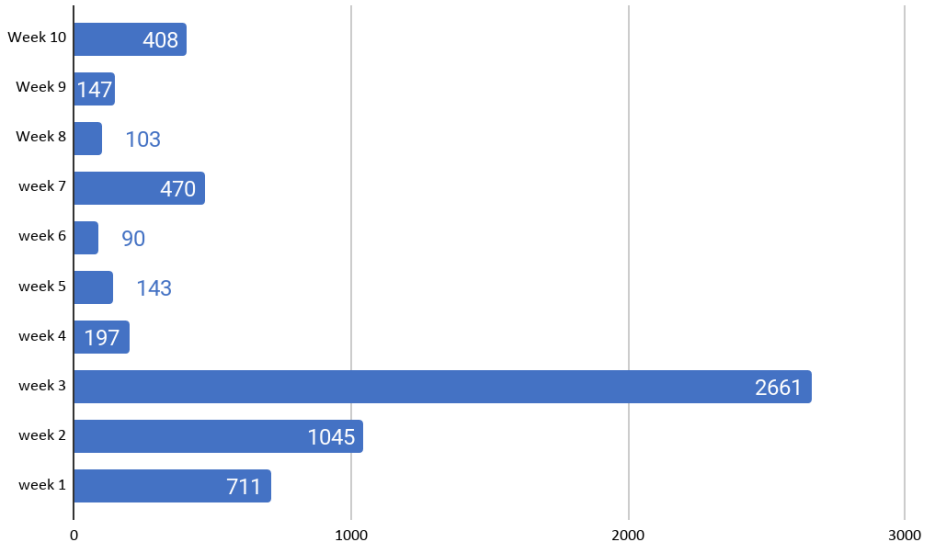
Mandatory Isolation or Quarantine: The number of employees out of the workplace due to isolation or quarantine on Friday, July 10 has dropped in the past 4 weeks, with an increase in the number of companies with no employees out on quarantine from 56% to 75%.

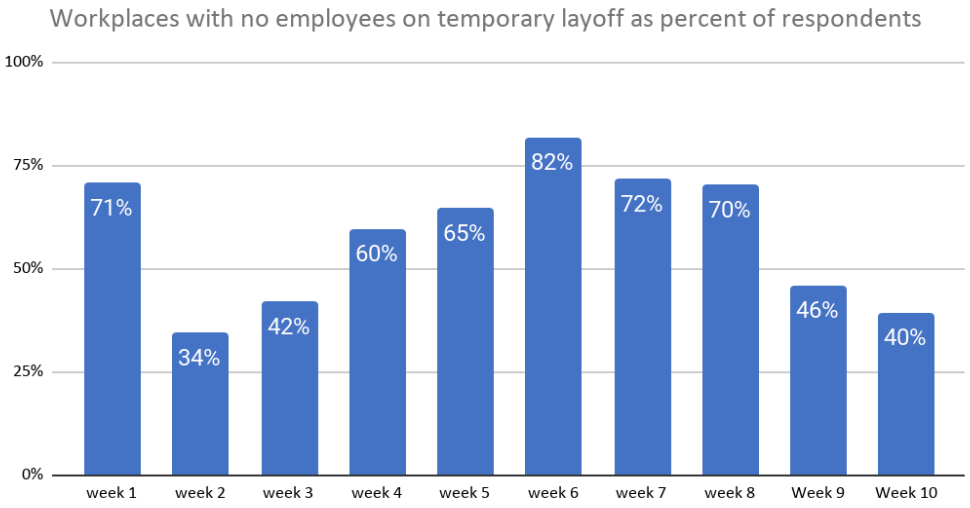




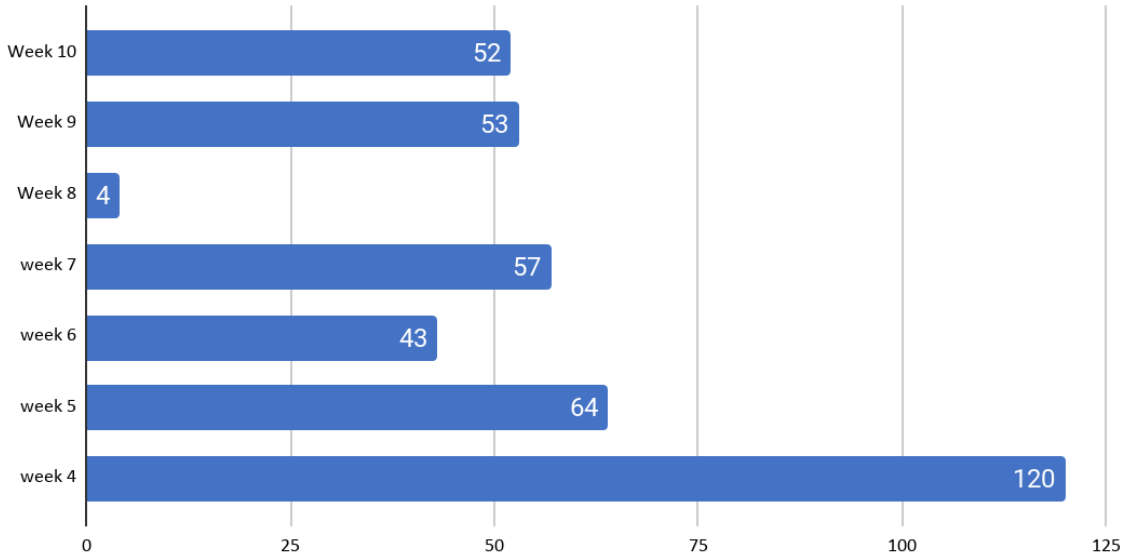
Temporary Layoffs:

As of Friday, July 10th, our respondents reported having 408 employees on temporary layoff, a big increase from what we saw in June. Only 40% of workplaces had no employees on layoff, which is again a large decrease from what we saw earlier this summer. Based on this data, it looks like manufacturers are using temporary layoffs to manage operating costs and project requirements once again.

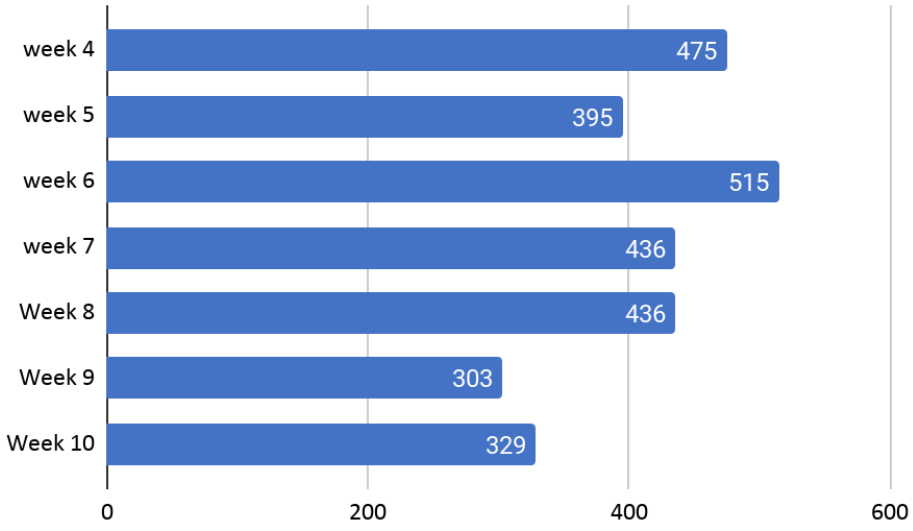




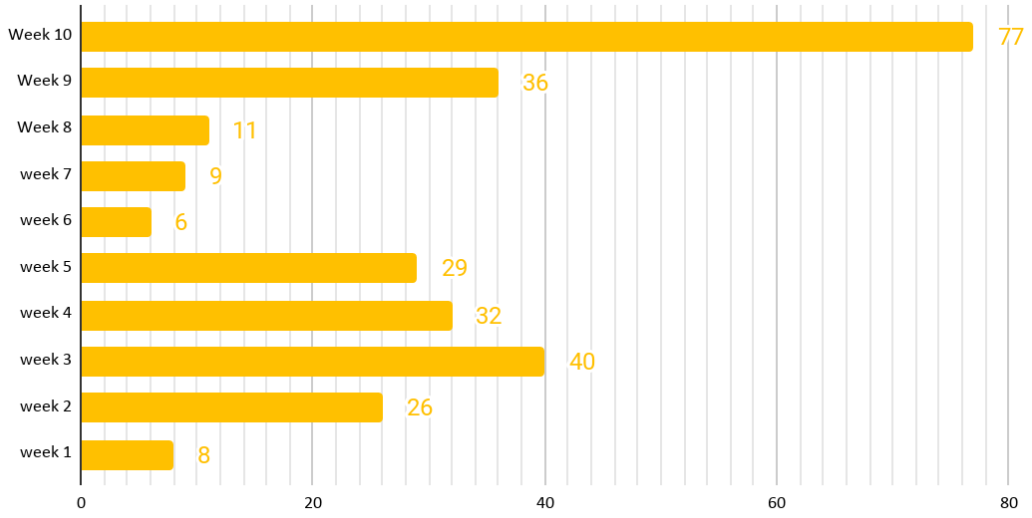
How many employees were granted voluntary layoffs? As of Friday, July 10th, 52 employees were reported as on voluntary layoff. About one quarter of our workplaces reported having at least one person on voluntary layoff, which is down from the 50% we saw in June's survey.



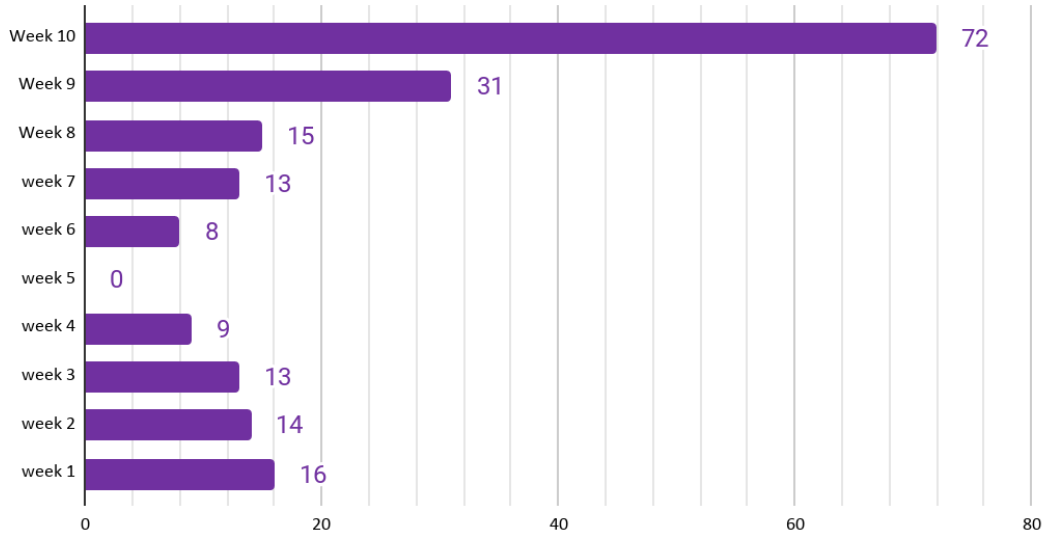
What about employees who have received full or partial wages, but were not actively working? There was a total of 329 "furloughed" employees reported. 79% of workplaces reported that there were no employees on furlough as of Friday, July 10th - which is a bit higher than we saw earlier this year.



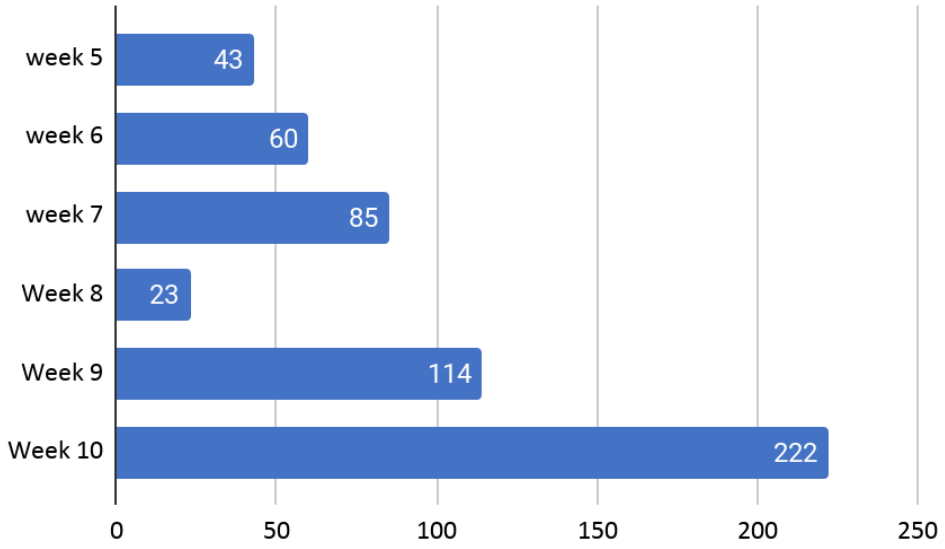
Workplaces are starting to accelerate permanent layoffs. The number of employees let go permanently doubled this month. Almost a third of workplaces reported permanent layoffs, much higher than the 13% we averaged in earlier surveys.



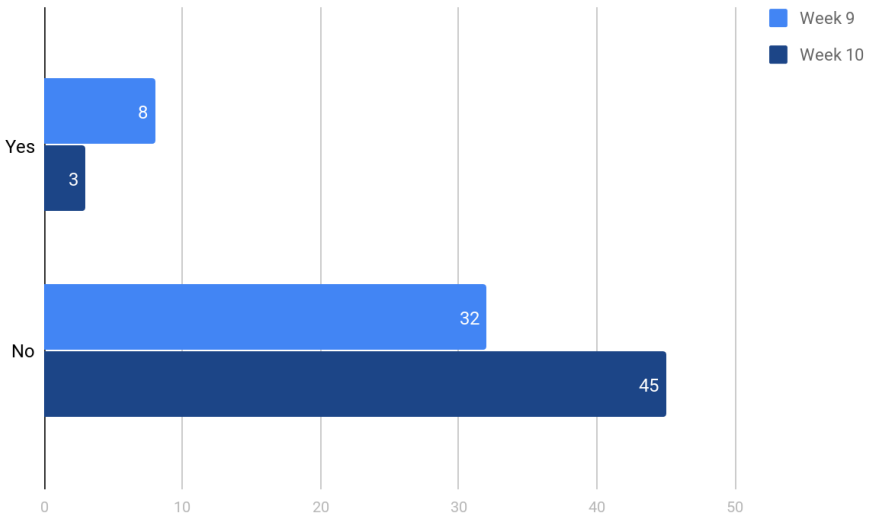
Manufacturing continues to hire at a similar rate. This week, respondents reported hiring 72 new employees in the prior month. This represents a quarter of our respondents, which is down from June (which was one third) but higher than the average for our surveys.



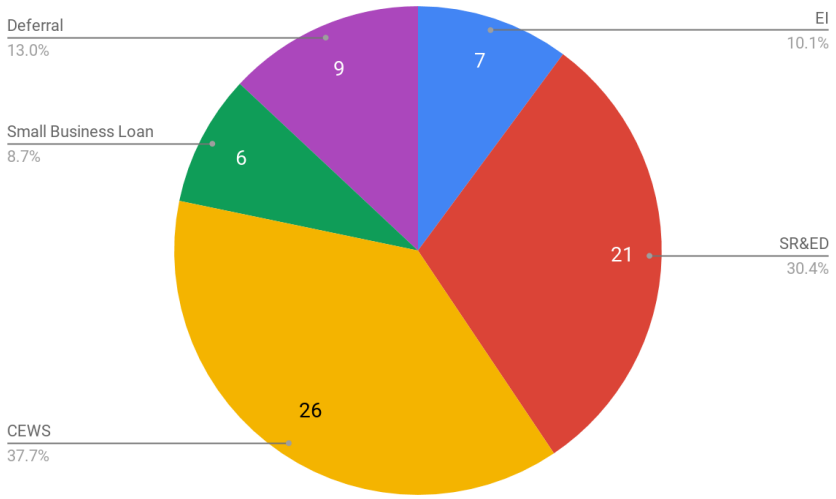
How many employees have been recalled in the prior week from temporary layoff.
They continue to recall employees - 222 to be exact were reported as recalled in the past month. In a positive sign, 42% of our respondents reported recalling employees from temporary layoff in the prior month - up from the 27% of respondents we've averaged in our surveys to date.



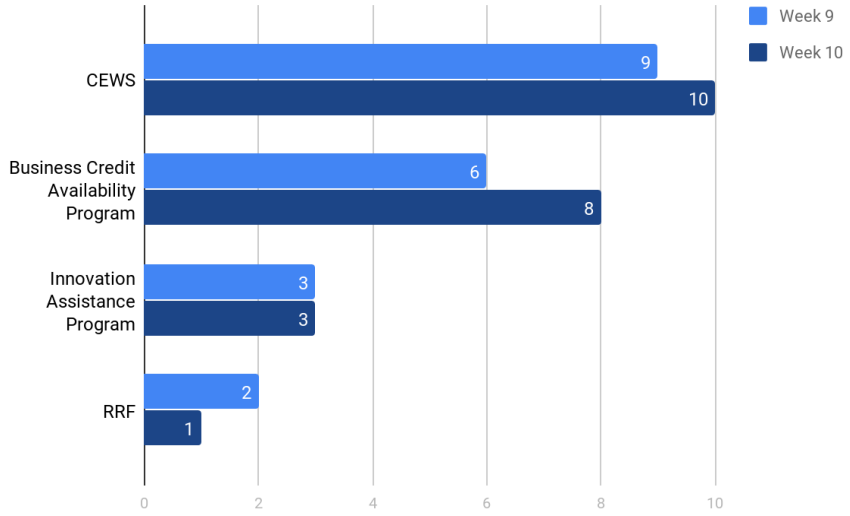
We asked how many workplaces are paying some kind of premium to their employees as an incentive to keep them actively working. 6% are offering some kind of premium, lower than the 14% average we saw in our surveys earlier this year.



Government Programs Currently Being Accessed (with # of times mentioned):
CEWS topped the list this week, with SR&ED tax credits (supporting R&D activities) in second place, and deferring remittances a close third.

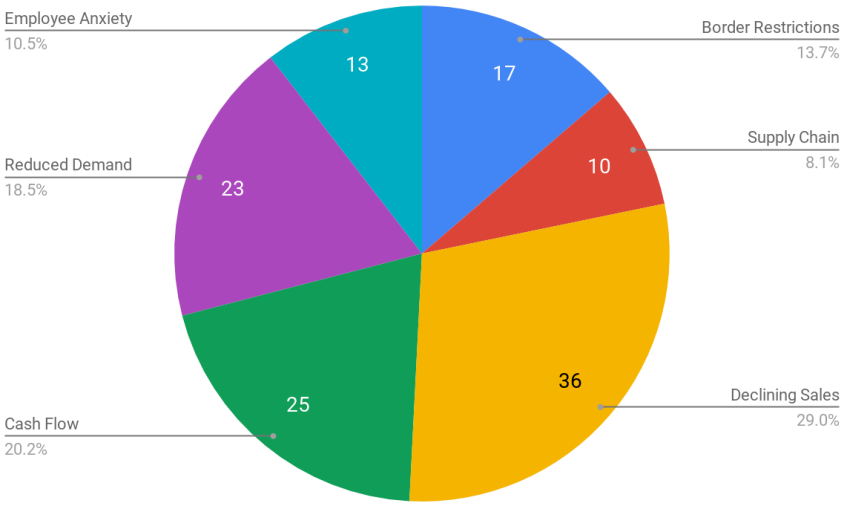


Government program eligibility. 31% of our respondents told us that they did not meet the qualification criteria for one or more financial support programs from the government, similar to the 33% we saw in June. The most common program cited was CEWS.

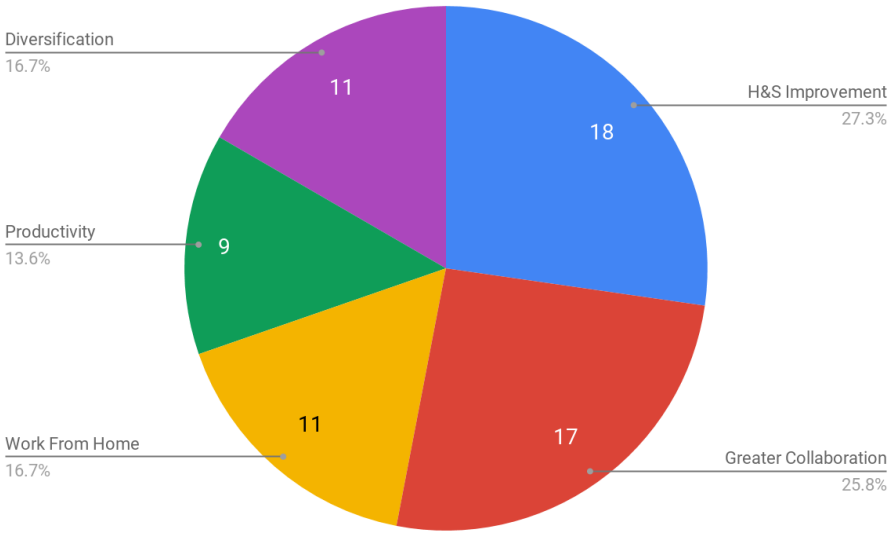


Biggest Impact on Canadian Business to Date:

The most frequently mentioned negative impacts were declining sales, cash flow and reduced demand. The impact of employee anxiety seems to have moderated; it was still one of the most frequently mentioned issues however was cited by fewer respondents as we move into the fifth month of surveys.

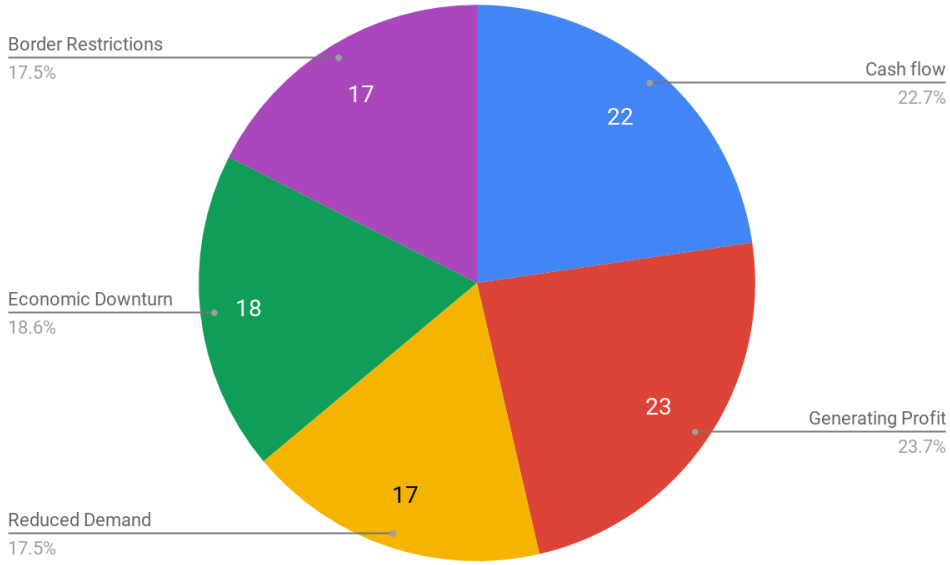


On the positive side, the most frequently mentioned positive impacts from this crisis were improvement in health & safety programs in the workplace, better collaboration among employees and shift in policies to allow remote working arrangements. These are pretty consistent with what we saw earlier this year.



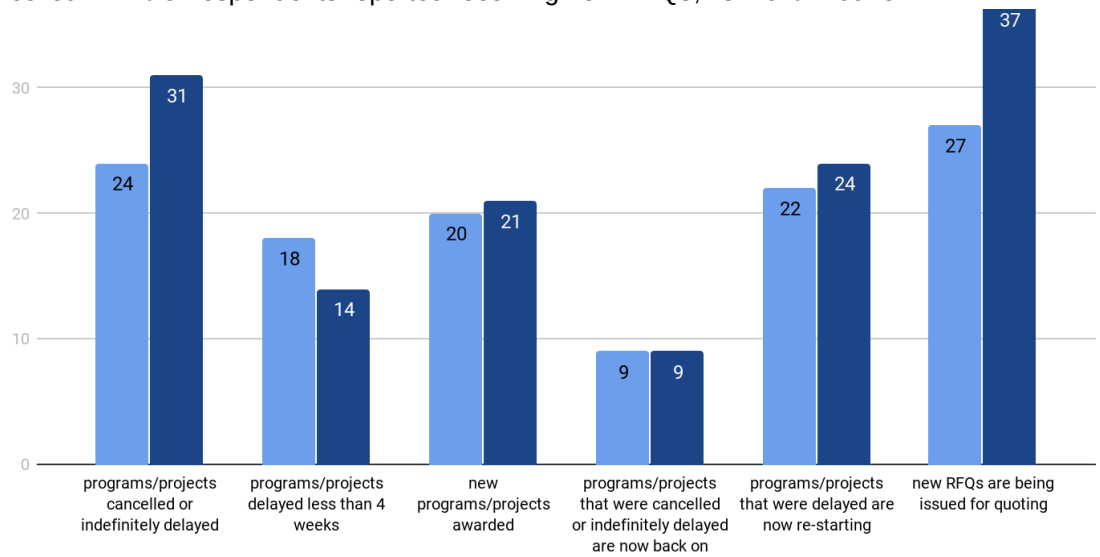
And what manufacturers see as the biggest challenges in the next 90 days?

Cash flow of course, as well as how to generate a profit in the face of declining demand. Reduced demand, the state of the economy and restrictions at the border continue to be big concerns for manufacturers.



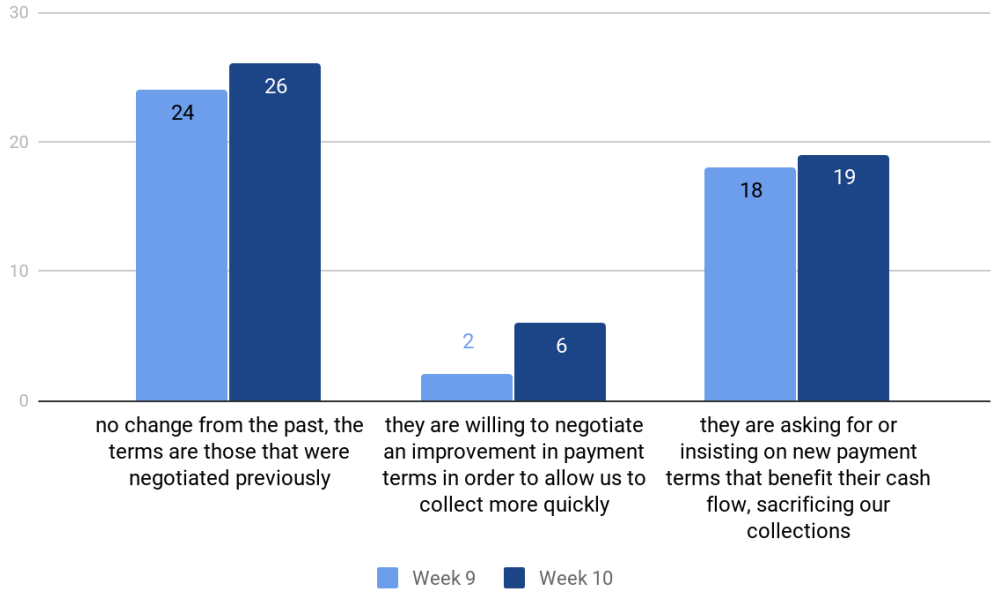
Level of interruption/disruption to the sales pipeline

The pendulum is swinging for manufacturing; earlier this year, we saw greater numbers of programs being cancelled or delayed. Now, the number of new RFQs is higher than the number of programs being cancelled. 77% of respondents reported receiving new RFQs, vs. 70% in June.



Current position of customers with respect to payment terms:

They're putting lots of pressure on our manufacturers to change payment terms - but to change them in a way that benefits the customer. 40% of our respondents reported that customers are re-negotiating payment terms to benefit the customer, not the supplier. In positive news, a greater percentage of customers this month have been willing to re-negotiate payment terms which favour the supplier.

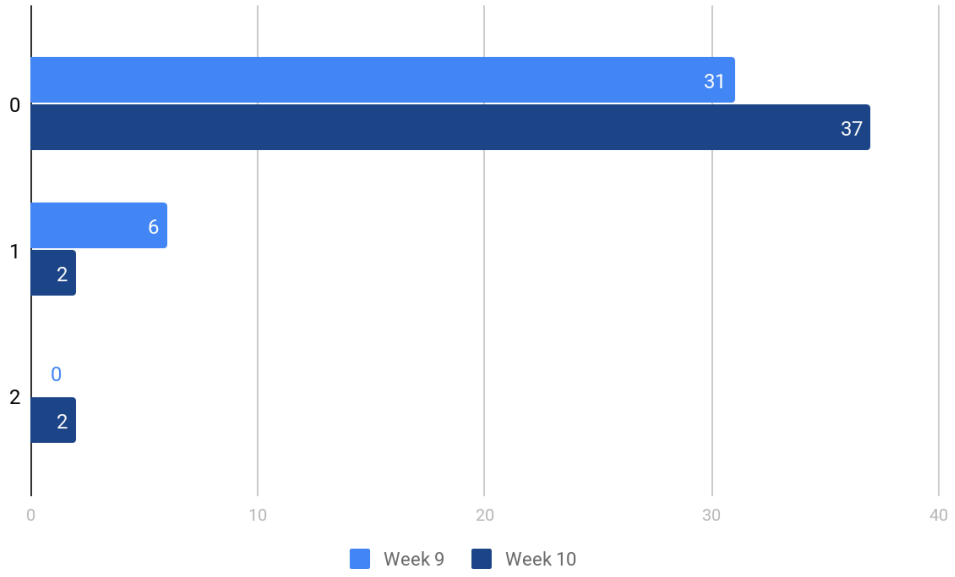


We asked about the "health" of accounts receivable.

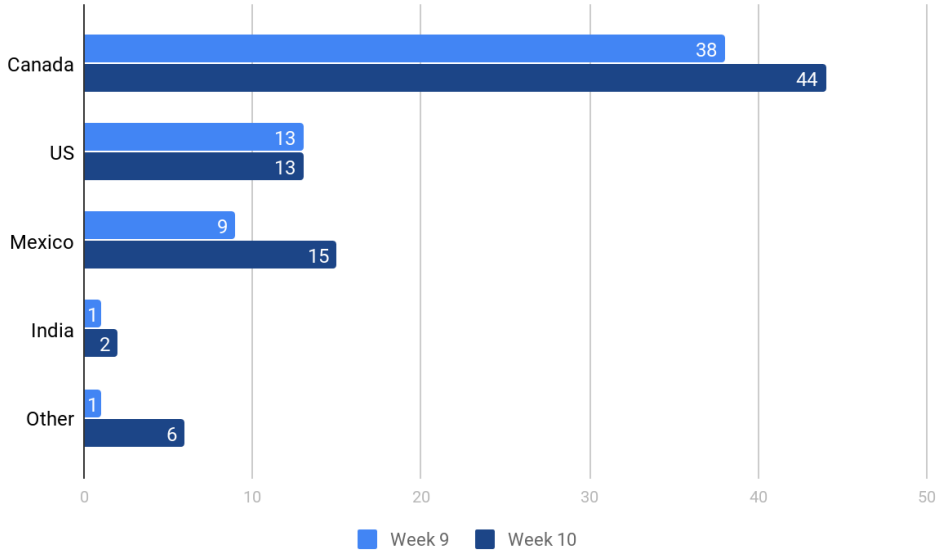
When compared to the financial survey results from earlier this year, the average reported percentage of accounts receivable greater than 90 days past due remained exactly the same - 17%. The average for accounts receivable between 1 - 90 days past due decreased slightly from 36% in June to 33% in July. This could mean that collections are going relatively well and a greater number of customers are paying within payment terms. Certainly, payments do not seem to be showing greater delays.

In the past 30 days, how many customers have notified you that they will be filing for creditor protection, receivership or bankruptcy?

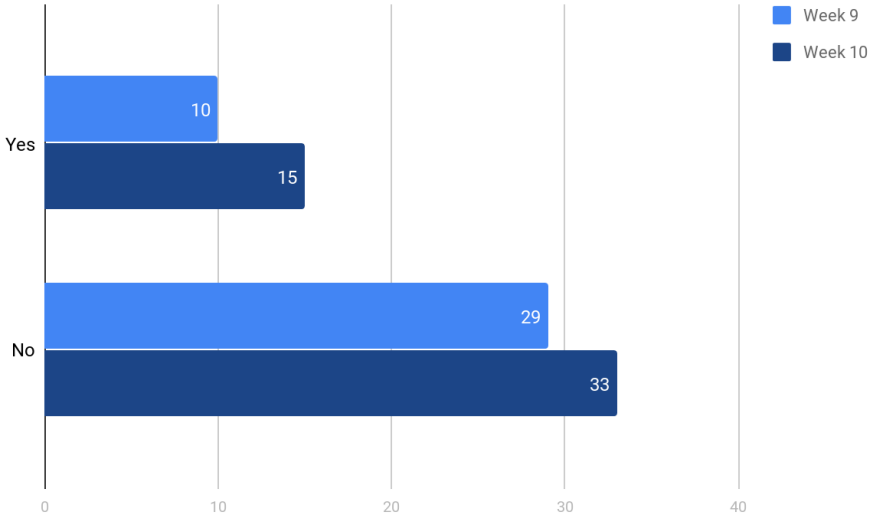
8% of our respondents reported that one of their customers has notified them they are in serious financial distress, about half of the rates reported in June.



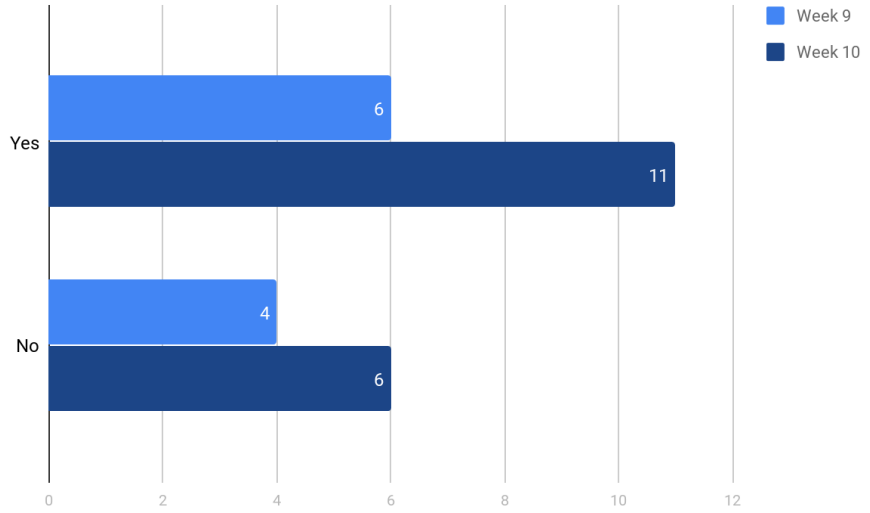
Challenges faced by personnel who must cross the border in order to conduct business are increasingly important. Of our respondents, 27% have a business in the US.**:**



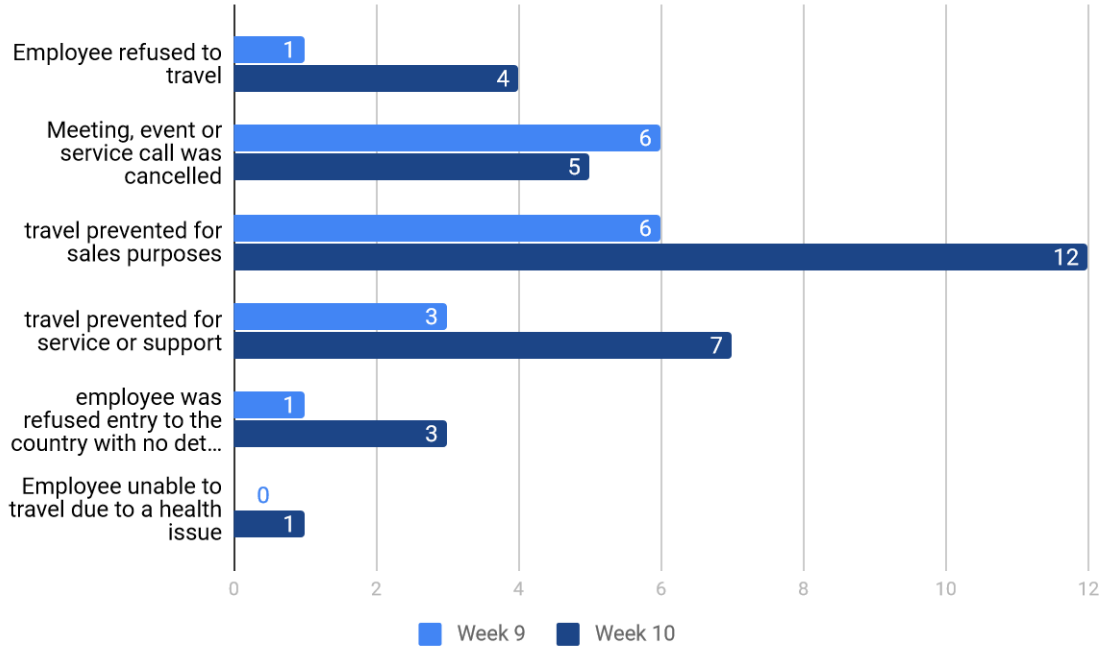
Approximately one third currently plan to send technical or sales employees outside of Canada (higher than the 25% reported 4 weeks ago). This is likely due to the increasing need for service & support personnel to travel to US customer sites as well as a desire of sales personnel to start addressing that sales pipeline.



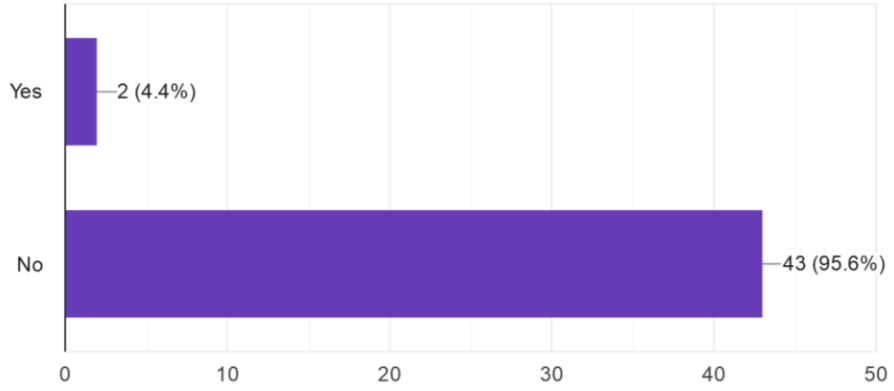
One third of those employees were not successful crossing the border, which is an improvement from the 40% reported four weeks ago.



The reasons why they didn't cross the border were pretty straightforward. Three were turned back with no justification (up from last month). While we don't know the specifics, travel for sales, service or support should be allowed, so we're not sure why this was reported as an issue.

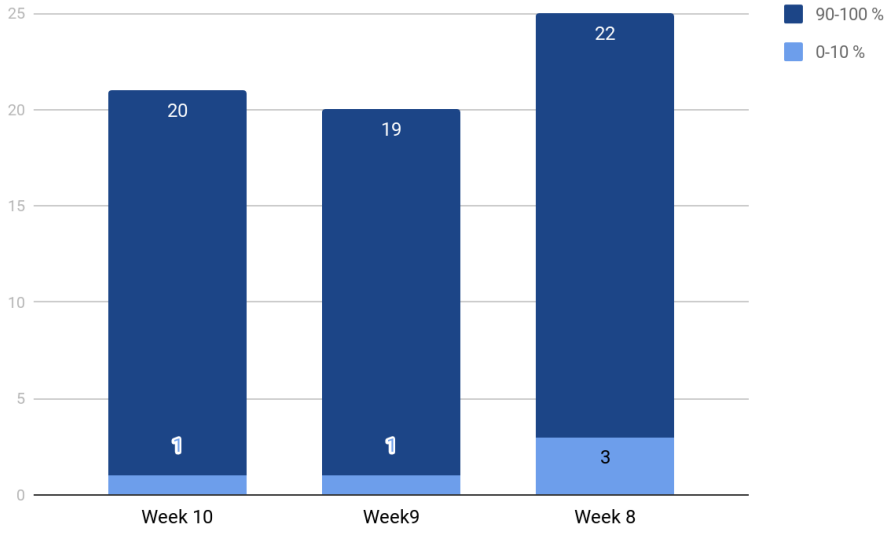


Only 2 companies are worried about the suspension of H-1B visas

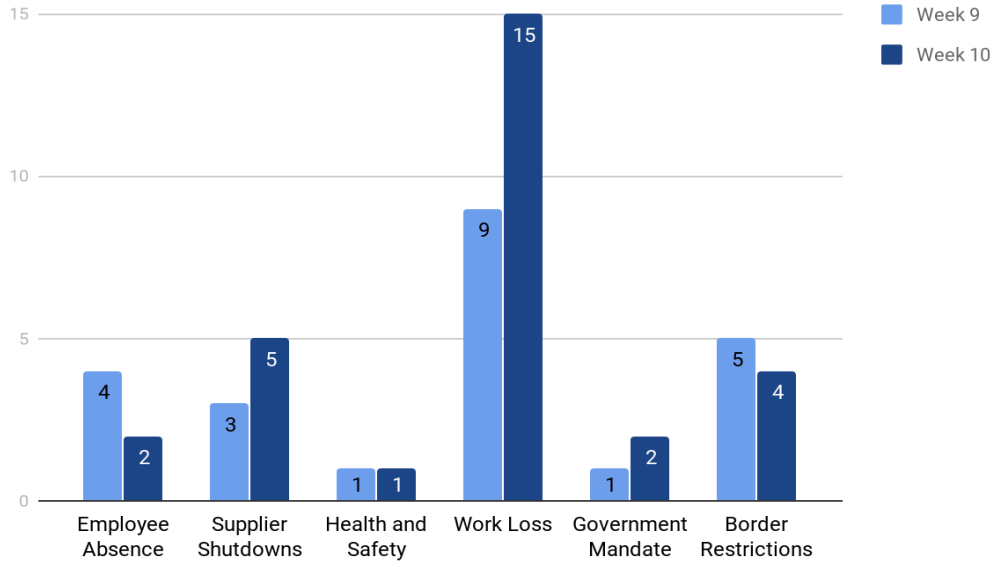


We asked about the level of shutdown at our manufacturers. Respondents were asked to indicate the percentage of operations they are currently at. In other words, 100% means they have had no reduction in operations; 0% means they are completely closed.

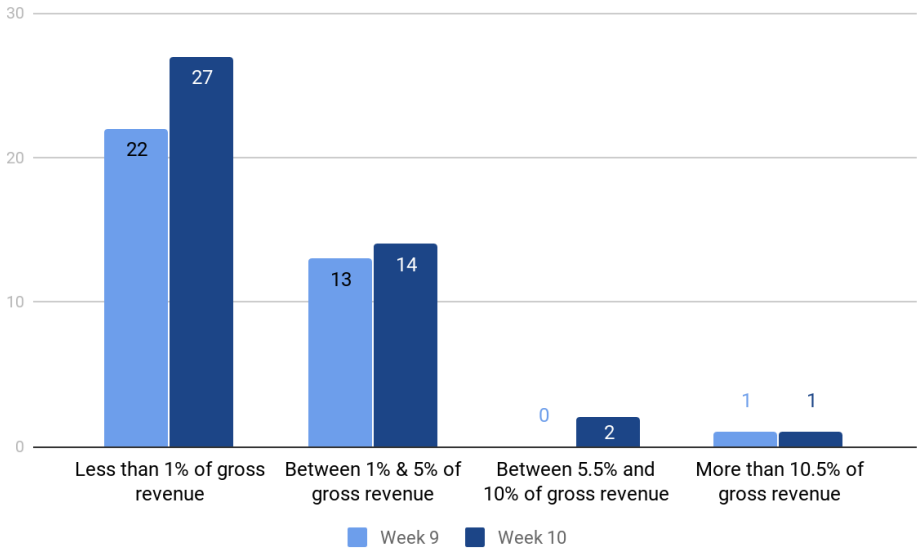
Approximately half of respondents are at full operations, similar to prior survey results; the big difference is in how many are still completely shut down. Only 1 workplace, or 2% of our respondents, reported being completely shut down. This continues what we saw in June.



We asked why they've shut all or some of their operations down. Shutdowns were due to loss of work, border restrictions and supplier shutdowns (with employee absences playing a less important role than we saw in prior weeks)

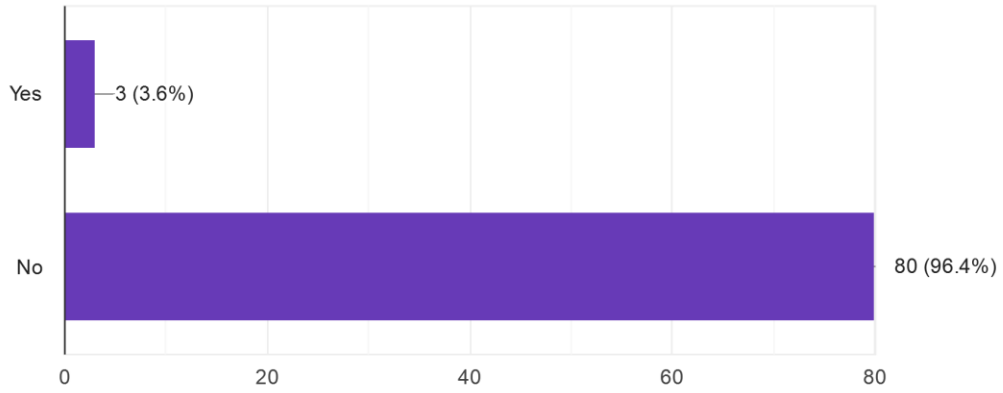


Estimated cost of new health & safety measures. We asked what percent of gross revenue the costs for the new health & safety measures are estimated to be. The understanding of costs seems to be improving. In June, a third of respondents calculated that it could be as high as 5% of gross revenue. This month, only 6% reported that costs were expected to exceed 5% of gross revenue.



And will customers help pay for some or all of that additional cost? With a few exceptions, the answer is a resounding no.

83 responses



No one is projecting that the negative impacts will be rapidly disappearing. Over half see this lasting more than 9 months.